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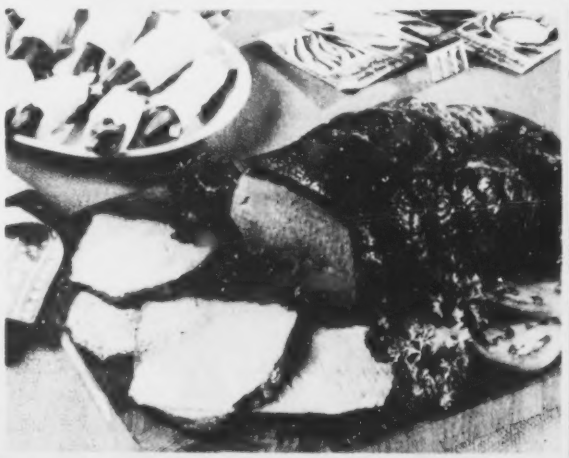
American Meat Institute

ANNUAL FINANCIAL REVIEW

OF THE MEAT PACKING INDUSTRY, 1983



September 1984

Table of Contents

		Page
Part I	Financial Status of the Meat Packing Industry in 1983 ..	2
Part II	Financial Data for Participating Companies	10
Part III	Characteristics of the Industry	21
Appendix Tables		28

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Financial Review of the Meat Packing Industry, 1983

Summary

Total Sales of the United States meat packing industry in 1983 were estimated at $49.98 billion, up less than one percent from the revised 1982 sales figure.

Net Income after taxes was estimated at $386 million, down 10% from the revised 1982 sales figure. Industry costs for livestock and raw materials increased slightly during the year, as did operating expenses. Labor costs, the largest component of operating expenses also rose in 1983, despite lower wage and salary costs.

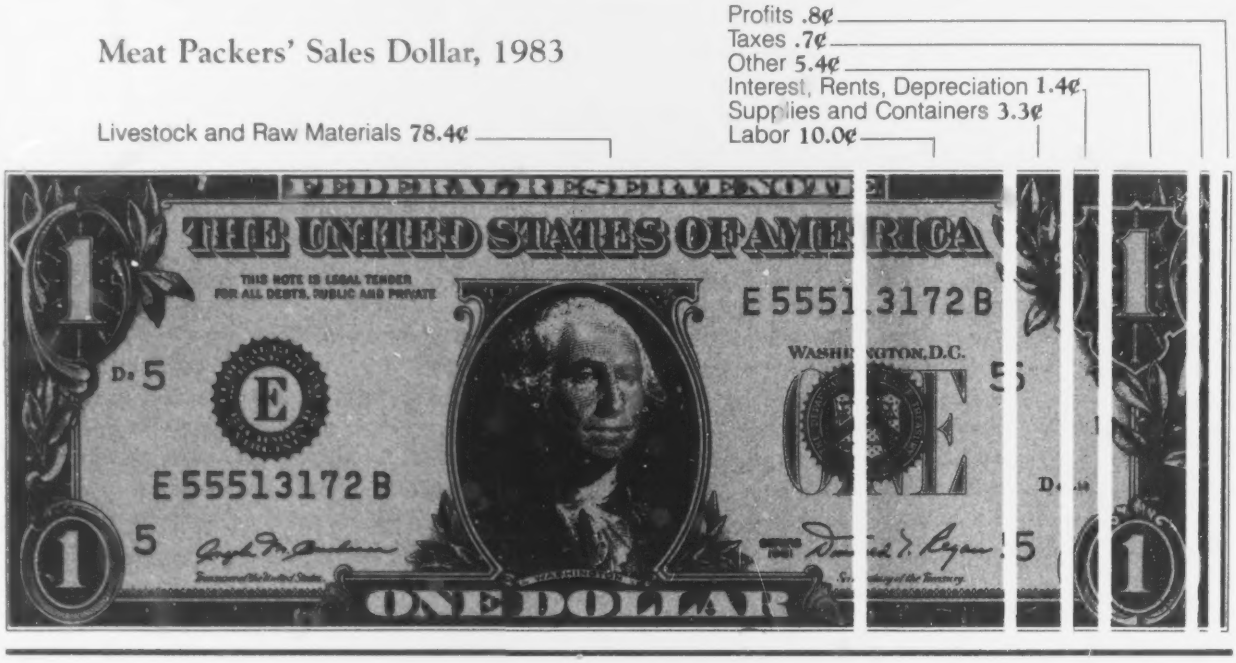
The ratio of *Net Income-to-Sales* averaged 0.8 in 1983, below both the year-earlier ratio and the long-run industry average. The *Sales-to-Assets* ratio, an indicator of the industry's sales turnover rate, was 6.2 in 1983. This figure is well above the sales turnover rate for other manufacturers and underscores the importance of livestock volume to industry profitability. *Earnings-to-Assets* averaged 4.8 in 1983, down from a year earlier. *Earnings-to-Net Worth* for the meat packing industry in 1983 declined to 10.0.

The data in this report are based on a survey of meat packing and processing companies across the nation. The American Meat Institute has conducted a survey of the industry each year since 1947. Prior to that, the U.S. Department of Agriculture issued annual reports based on meat packers' financial statements filed each year with the government. This year's report is the 59th annual report on the industry and is based on confidential information voluntarily provided by 148 companies. Various government and trade reports provided additional sources of information.

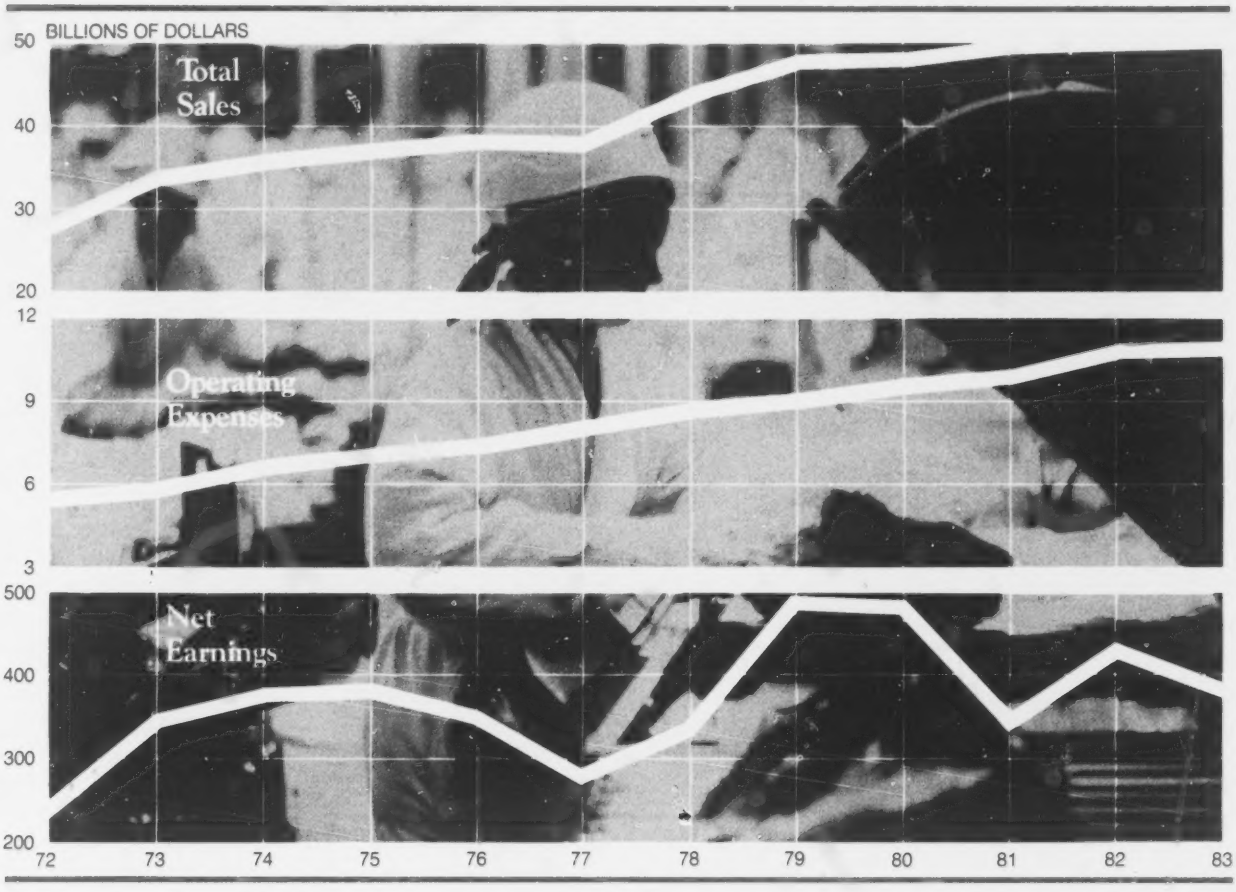
Throughout this report companies that slaughter livestock are defined as **Meat Packers**, regardless of whether or not they also process meat and meat products. Companies that do not slaughter livestock, but specialize in the manufacture of processed meats, including canned meat and sausage, are defined as **Meat Processors**.

Due to data limitations it is difficult to derive estimates for the meat processing industry. Some idea of processors' importance may be seen in 1977 census data, which show the value of shipments by the meat processing industry equaled 27% of the value shipped by the meat packing industry. This suggests a 1983 sales figure for meat processors of approximately $13.5 billion. Thus, meat packing and processing is a $63.5 billion dollar industry.

Meat Packers' Sales Dollar, 1983



Part I — Financial Status of the Meat Packing Industry in 1983



1983 Sales Up — Earnings Down

Total sales of the meat packing industry in 1983 were estimated at $49.98 billion, up less than one percent from the revised 1982 sales estimate. Industry production of red meat rose almost five percent during the year to 39.0 billion pounds, but this increased output was partially offset by lower wholesale meat prices.

Industry costs for livestock and other raw materials were estimated at $39.16 billion, up slightly from the revised 1982 figure. Increased supplies of cattle and hogs during the year resulted in lower prices for these species, thereby reducing industry livestock costs. However, higher packer costs for meat supplies other than livestock pushed the industry's overall livestock and raw materials costs up in 1983.

Industry operating expenses rose one percent to $10.11 billion in 1983. Operating expenses accounted for 20.2 percent of the industry's sales dollar in 1983, up from 20.1 percent in 1982. Wage and salary costs, the largest component of operating expenses, declined in 1983 as both the number of industry employees and the average industry wage level fell. The decline in wage and salary costs was the first since 1972. In contrast, total labor costs, which include employee benefits in addition to wages and salaries, increased in 1983; a surge in employee insurance costs and a higher incidence of non-traditional benefits such as profit sharing accounted for the increase. The higher employee benefit costs more than offset the decline in wage and salary costs and total labor costs rose slightly in 1983.

Interest costs declined in 1983 but expenses for depreciation, rents, supplies and containers increased.

Income before taxes for the meat packing industry was estimated at $707 million, down nine percent from the revised year-earlier figure. Net income after taxes, at $386 million, fell ten percent from 1982 and was barely above the average of the last ten years. Since the mid-1970's, the meat packing industry, like many other domestic industries, has been subjected to a variety of uncontrollable economic forces that have prompted major structural changes and dislocations. Industry efforts to adapt to these forces have been difficult, as reflected by fluctuating industry earnings over the last decade. Compounded by problems associated with labor rate adjustments and continued weak consumer demand, the difficulties continued in 1983.

A breakdown of sales, earnings and expenses for the meat packing industry since 1972 is shown in Table 1-2. While sales, costs and income levels of the meat packing industry have increased over the years, the various components of the industry sales dollar have remained relatively constant over time when expressed as a percent of sales.

Earnings Ratios Fall

Lower industry income in 1983 was reflected in a downturn in industry earnings ratios, most of which were below historical norms for the third year in a row.

The meat packing industry had a pre-tax return on sales of 1.41 percent, or $1.41 per $100 of sales. Return on net worth was equivalent to 18.27 percent before taxes.

After taxes, the meat packing industry realized a return of 0.77 percent on sales, down from 1982 and the third consecutive year in which the industry's earnings-to-sales ratio was below the historical average of about 1.00 percent.

The downturn in meat packing's earnings-to-sales and other earnings ratios in 1983 ran counter to the trend experienced by all food manufacturing industries as a whole as well as by most other manufacturing industries. Table A-1 on page 28 compares financial ratios of the meat packing industry with those of other manufacturing industries and highlights meat packing's low return on sales relative to other manufacturing industries — less than one-fourth that of all food manufacturing and less than one-fifth that of all manufacturing.

The low earnings-to-sales ratio for meat packing reflects the high-volume nature of the industry and underscores the importance of sales volume to profitability. The importance of sales volume in meat packing is further evidenced by the industry's high ratio of sales to assets — 6.24 in 1983 or almost five times the average for all manufacturing industries.

The meat packing industry's return on net worth slipped to 9.97 percent in 1983, below both the 12.54 percent reported for all food manufacturers and the 10.33 percent average for all manufacturing as a whole.

Industry financial data from 1925 to the present are summarized in Table A-2 at the end of this report.

TABLE 1-1

Financial Ratios of the Meat Packing Industry, 1981-83

Item	1981	1982	1983
Income Before Taxes Per:			
$100 Sales	$ 1.30	$ 1.56	$ 1.41
$100 Assets	8.32	10.35	8.82
$100 Net Worth	17.03	21.17	18.27
100 Lbs. Live Wt.	1.03	1.31	1.14
100 Lbs. Dressed Wt.	1.63	2.09	1.81
Income After Taxes Per:			
$100 Sales	.71	.86	.77
$100 Assets	4.53	5.70	4.82
$100 Net Worth	9.27	11.66	9.97
100 Lbs. Live Wt.	.56	.72	.62
100 Lbs. Dressed Wt.	.89	1.15	.99
Sales Per $ of Assets	6.41	6.61	6.24

TABLE 1-2

Sales, Raw Materials Costs, Expenses and Income of the Meat Packing Industry, 1972-1983

ITEM	MILLION DOLLARS					
	1972	1973	1974	1975	1976	1977
Total Sales	$27,800	$33,225	$35,500	$36,650	$37,450	$37,275
Cost of Livestock and Other Raw Materials	22,025	26,935	28,260	28,950	29,475	28,925
Gross Margin	5,775	6,290	7,240	7,700	7,975	8,350
Operating Expenses						
Wages and Salaries	2,345	2,540	2,725	2,830	2,915	3,125
Employee Benefits						
Retirement Expense	97	111	130	146	161	190
Payroll Taxes	117	151	172	179	192	208
Insurance & Hospitalization	111	136	155	178	196	234
Vacation, Holiday & Sick Leave	156	168	184	201	213	230
All Other Benefits	36	40	43	45	47	56
Total Benefits	517	606	684	749	809	918
Interest	82	105	141	138	109	112
Depreciation	200	200	214	243	245	268
Rents	90	86	95	103	108	113
Taxes*	61	65	74	78	85	84
Supplies & Containers	795	845	995	1,165	1,210	1,200
All Other Expenses	1,265	1,240	1,645	1,720	1,860	2,030
Total Operating Expenses	5,355	5,687	6,573	7,026	7,341	7,850
Income Before Taxes	420	603	667	674	634	500
Income Taxes	185	263	292	294	285	225
Net Income	235	340	375	380	349	275
	PERCENT OF TOTAL SALES					
Total Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Livestock and Other Raw Materials	79.2	81.1	79.6	79.0	78.7	77.6
Gross Margin	20.8	18.9	20.4	21.0	21.3	22.4
Operating Expenses						
Wages and Salaries	8.4	7.6	7.7	7.7	7.8	8.4
Employee Benefits						
Retirement Expense	.4	.3	.4	.4	.4	.5
Payroll Taxes	.4	.5	.5	.5	.5	.6
Insurance & Hospitalization	.4	.4	.4	.5	.5	.6
Vacation, Holiday & Sick Leave	.6	.5	.5	.5	.6	.6
All Other Benefits	.1	.1	.1	.1	.1	.2
Total Benefits	1.9	1.8	1.9	2.0	2.1	2.5
Interest	.3	.3	.4	.4	.3	.3
Depreciation	.7	.6	.6	.7	.7	.7
Rents	.3	.3	.3	.3	.3	.3
Taxes*	.2	.2	.2	.2	.2	.2
Supplies & Containers	2.9	2.6	2.8	3.2	3.2	3.2
All Other Expenses	4.6	3.7	4.6	4.7	5.0	5.5
Total Operating Expenses	19.3	17.1	18.5	19.2	19.6	21.1
Income Before Taxes	1.5	1.8	1.9	1.8	1.7	1.3
Income Taxes	.7	.8	.8	.8	.8	.6
Net Income	.8	1.0	1.1	1.0	.9	.7

TABLE 1-2

Sales, Raw Materials Costs, Expenses and Income of the Meat Packing Industry, 1972-1983 (Cont'd.)

ITEM	MILLION DOLLARS					
	1978	1979	1980	1981	1982	1983
Total Sales	$43,625	$47,650	$47,925	$48,525	$49,650	$49,975
Cost of Livestock and Other Raw Materials	34,425	37,850	37,575	38,125	38,900	39,160
Gross Margin	9,200	9,800	10,350	10,400	10,750	10,815
Operating Expenses						
Wages and Salaries	3,465	3,511	3,761	3,795	3,810	3,807
Employee Benefits						
Retirement Expense	207	227	234	216	166	166
Payroll Taxes	242	253	282	287	304	312
Insurance & Hospitalization	264	268	317	370	396	431
Vacation, Holiday & Sick Leave	252	252	268	285	279	248
All Other Benefits	54	48	52	52	49	64
Total Benefits	1,019	1,048	1,153	1,210	1,194	1,221
Interest	139	161	161	168	179	174
Depreciation	307	298	306	316	331	358
Rents	129	106	109	122	150	158
Taxes*	93	77	77	66	60	66
Supplies & Containers	1,290	1,444	1,574	1,539	1,570	1,627
All Other Expenses	2,190	2,313	2,387	2,554	2,679	2,697
Total Operating Expenses	8,632	8,958	9,528	9,770	9,973	10,108
Income Before Taxes	568	842	822	630	777	707
Income Taxes	235	354	342	287	349	321
Net Income	333	488	480	343	428	386
	PERCENT OF TOTAL SALES					
Total Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Livestock and Other Raw Materials	78.9	79.4	78.4	78.6	78.3	78.4
Gross Margin	21.1	20.6	21.6	21.4	21.7	21.6
Operating Expenses						
Wages and Salaries	7.9	7.4	7.8	7.8	7.7	7.6
Employee Benefits						
Retirement Expense	.5	.5	.5	.4	.3	.3
Payroll Taxes	.6	.5	.6	.6	.6	.6
Insurance & Hospitalization	.6	.6	.7	.8	.8	.9
Vacation, Holiday & Sick Leave	.6	.5	.6	.6	.6	.5
All Other Benefits	.1	.1	.1	.1	.1	.1
Total Benefits	2.4	2.2	2.5	2.5	2.4	2.4
Interest	.3	.3	.3	.3	.3	.3
Depreciation	.7	.6	.6	.6	.7	.8
Rents	.3	.2	.2	.3	.3	.3
Taxes*	.2	.2	.2	.1	.1	.1
Supplies & Containers	3.0	3.0	3.3	3.2	3.2	3.3
All Other Expenses	5.0	4.9	5.0	5.3	5.4	5.4
Total Operating Expenses	19.8	18.8	19.9	20.1	20.1	20.2
Income Before Taxes	1.3	1.8	1.7	1.3	1.6	1.4
Income Taxes	.5	.8	.7	.6	.7	.6
Net Income	.8	1.0	1.0	.7	.9	.8

*Other than Social Security and Income Taxes.

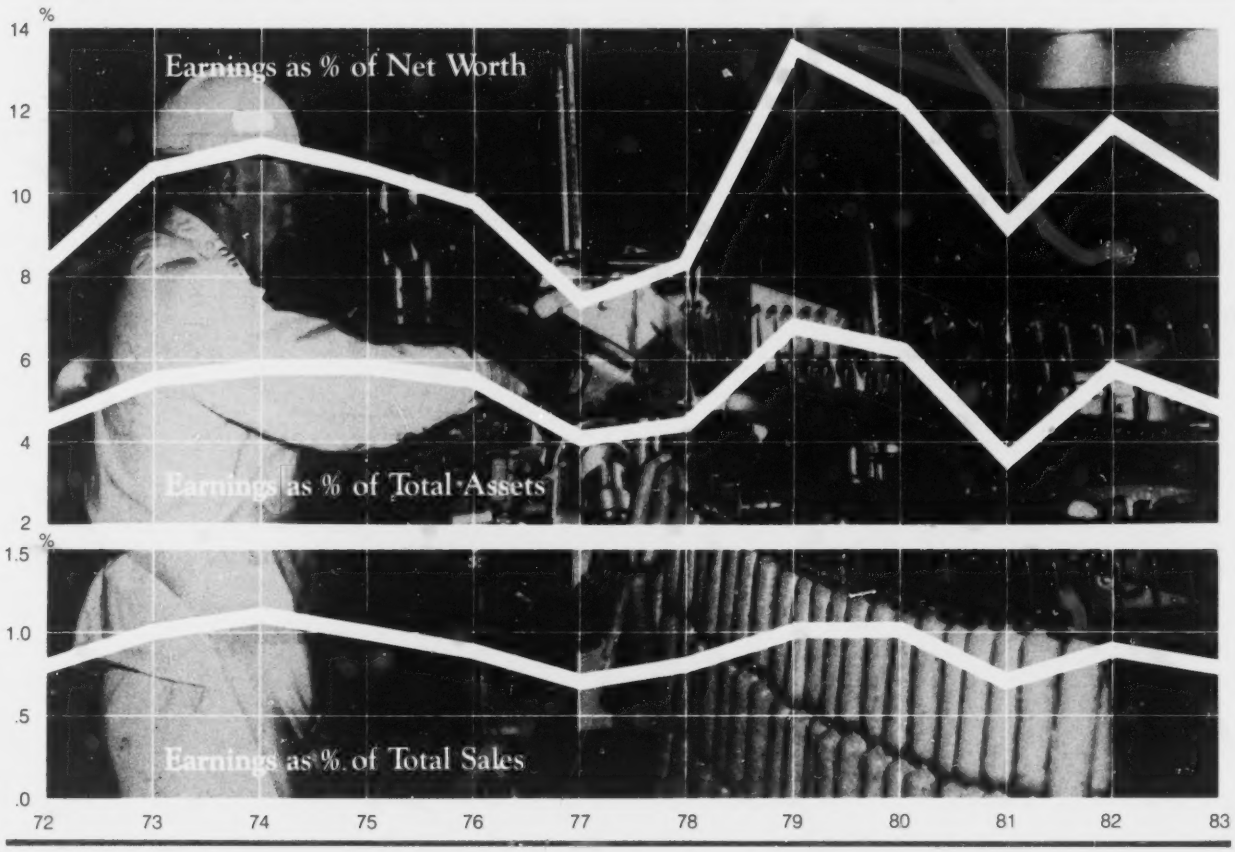


TABLE 1-3

Commercial Meat Production*, 1982-83

Item	1982	1983	% Change
	Billion Pounds		
Beef	22.4	23.1	+3%
Veal	.4	.4	+1
Pork	14.1	15.1	+7
Lamb & Mutton	.4	.4	+3
Total	**37.3**	**39.0**	**+5**

Source: U.S. Department of Agriculture
**Based on packers dressed weight. Pork excludes lard and rendered pork fat.*
Totals may not add due to rounding.

Total Raw Materials Costs Rise

Industry costs for livestock and raw materials were estimated at $39.16 billion in 1983, up slightly from a year earlier and the smallest increase of the past three years. Packer costs for livestock actually declined during the year as increased supplies led to lower prices for cattle and hogs. But packer costs for meat supplies other than livestock rose enough to offset lower livestock costs and push the industry's total livestock and raw materials costs up.

Cattle slaughter in 1983 increased for the fourth year in a row to 36.6 million head. This represented a two percent increase over 1982 and was accompanied by a two percent decline in prices. Calf slaughter also increased two percent but strong packer demand kept calf prices above 1982 levels. Hog slaughter increased for the

Meat Production

Red meat production rose in 1983 to the third highest level on record.

Commercial production of red meat totaled 39.0 billion pounds in 1983, up five percent from the 37.3 billion pounds produced in 1982 and only half a percent below the record 39.2 billion pounds produced in 1977.

Beef production was up for the fourth year in a row to 23.1 billion pounds, up three percent from 1982. Pork production rose seven percent during the year to 15.1 billion pounds — the first increase in three years. Production of veal and lamb also rose during the year, up one and three percent respectively.

first time in three years, up seven percent to 87.6 million head, and resulted in a thirteen percent decline in hog prices. Sheep and lamb slaughter rose three percent during the year.

Industry output of red meat rose five percent in 1983 to 38.97 billion pounds. Increased meat supplies were reflected in price declines at both the wholesale and retail levels, the first since 1977. According to government figures, wholesale meat prices were down six percent while at retail meat prices were down one percent.

TABLE 1-4

Livestock Prices, 1982-83

Item	1982	1983	% Change
	Dollars per Cwt		
Cattle*	$57.36	$56.11	−2%
Calves	59.80	61.70	+3
Lambs	53.10	53.90	+2
Hogs	55.07	47.88	−13

Source: U.S. Department of Agriculture
**Weighted average of steers, heifers, and cows at Omaha*

TABLE 1-5

Meat Price Indices, 1982-83

Item	1982	1983	% Change
	(1967=100)		
Wholesale Meat Prices	250.6	236.5	−6%
Beef and Veal	245.0	237.0	−3
Pork	251.1	226.5	−10
Other Meats	266.1	250.9	−6
Retail Meat Prices	270.3	267.2	−1
Beef and Veal	276.5	272.3	−2
Pork	258.1	255.8	−1
Other Means	267.0	266.0	Sm.−

Source: U.S. Department of Labor

Industry Net Worth Rises

The meat packing industry's year-end net worth was estimated at $3.87 billion, up $200 million or five percent from the revised year-earlier level. Total industry assets rose seven percent to $8.02 billion, while industry liabilities rose eight percent to $4.15 billion. Net worth as a percent of total assets fell from 48.9 percent in 1982 to 48.3 percent in 1983.

TABLE 1-6

Year-End Assets, Liabilities, and Net Worth of the Meat Packing Industry, 1982-83

Item	1982	1983	% Change
	Million Dollars		
Current Assets	$4,150	$4,235	+2%
Inventories	1,575	1,595	+1
Receivables	2,000	2,015	+1
Other	575	625	+9
Other Assets	3,360	3,780	+13
Total Assets	**7,510**	**8,015**	+7
Current Liabilities	2,340	2,560	+9
Other Liabilities	1,500	1,585	+6
Total Liabilities	**3,840**	**4,145**	+8
Net Worth	**3,670**	**3,870**	+5
Working Capital*	1,810	1,675	−7
Percent Net Worth to Total Assets	48.9%	48.3%	
Ratio of Current Assets to Current Liabilities	1.77	1.65	

*Difference between current assets and current liabilities.

The industry's working capital position declined in 1983 to an estimated $1.68 billion. The trend of the past six years has been one of tightening working capital, with the surplus of current assets over current liabilities declining an estimated $600 million or twenty-six percent since 1978. The ratio of current assets to current liabilities dropped to 1.65 in 1983, the sixth consecutive annual decline and further evidence of the industry's continued efforts to tighten control of working capital.

Employment Continues Decline — Wages Drop

While meat packing is generally regarded as a labor-intensive industry, the trend of the past two decades has been one of declining employment. That trend continued in 1983 as total industry employment fell three percent to 141,800 people. The number of production workers declined four percent to 115,400 people.

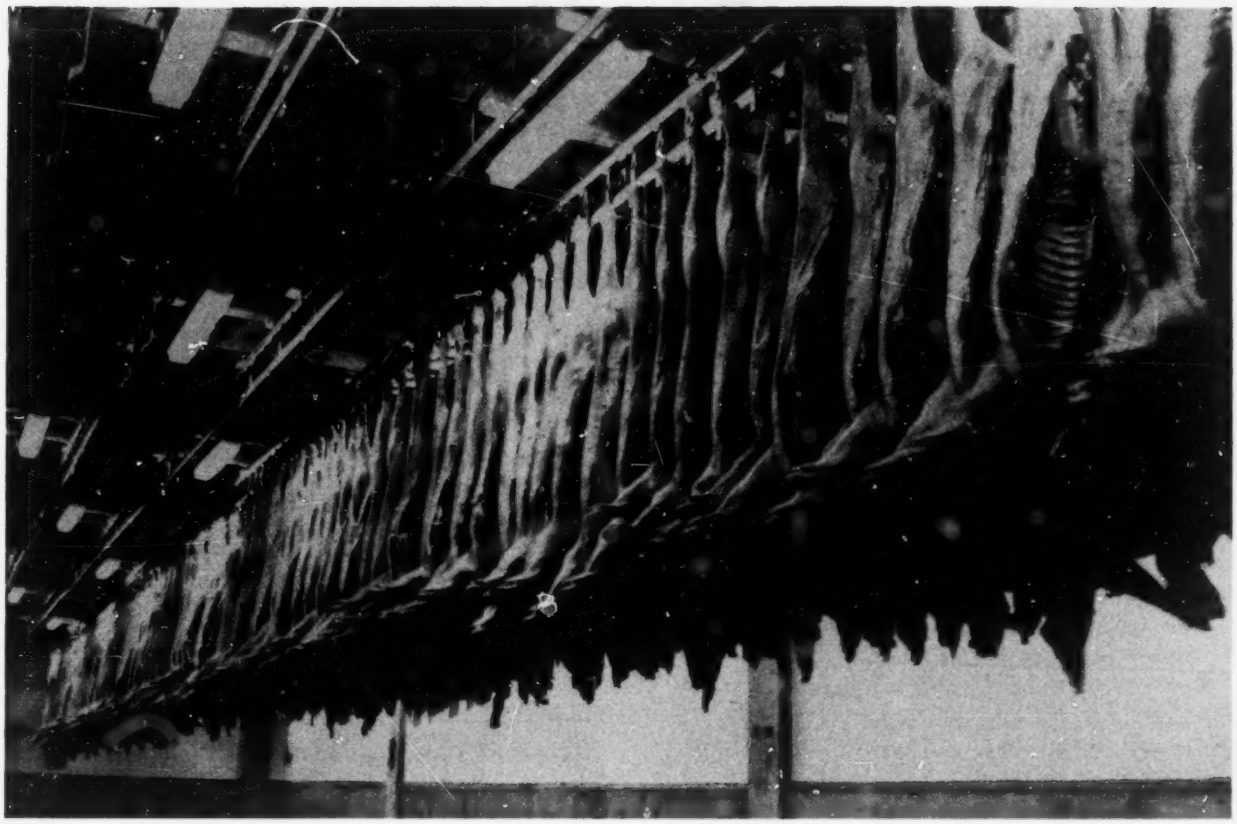
TABLE 1-7

Employment and Earnings, 1982-83

Item	Unit	1982	1983
Meat Packing			
Total Employees	Thous.	146.9	141.8
Production Workers	Thous.	120.6	115.4
Avg. Weekly Earnings	Dollars	$371.70	$354.35
Avg. Weekly Hours	Hours	41.3	41.3
Avg. Hourly Earnings	Dollars	$9.00	$8.58
Meat Processing			
Total Employees	Thous.	71.2	70.7
Production Workers	Thous.	52.7	52.5
Avg. Weekly Earnings	Dollars	$357.75	$362.40
Avg. Weekly Hours	Hours	39.4	40.0
Avg. Hourly Earnings	Dollars	$9.08	$9.06
All Manufacturing			
Total Employees	Thous.	18,853.0	18,678.0
Production Workers	Thous.	12,790.0	12,696.0
Avg. Weekly Earnings	Dollars	$330.65	$354.48
Avg. Weekly Hours	Hours	38.9	40.1
Avg. Hourly Earnings	Dollars	$8.50	8.84

Source: U.S. Department of Labor

Labor costs have historically accounted for approximately 50 percent of the meat packing industry's operating expenses. Because labor represents such a large component of industry expenses, the containment of labor costs has served as a strong incentive for the industry to



develop and utilize labor-saving technologies. The industry's emphasis on labor efficiency has resulted in a 22 percent reduction in the number of industry employees since 1970, yet over the same period meat production has risen 9 percent; going back another decade to 1960 finds that industry output has risen 41 percent while industry employment has fallen 32 percent. Note, however, that while employment levels have fallen markedly over the past two decades, labor costs have not: Industry labor costs have risen 80 percent since 1970 despite over a fifth fewer employees; and since 1960, labor expenses have risen 165 percent despite almost a third fewer employees.

Industry attempts to keep labor costs in check took a new turn in 1983 as many companies renegotiated their union labor contracts. Wide discrepancies in labor costs between packers doing business in the same markets had created a situation where a sizable portion of the industry could no longer compete effectively with newer, lower-cost companies. This situation had been building for several years prior to 1983 and in recent years a number of plants were forced to close temporarily, several companies changed hands and were reorganized under new labor provisions, and other companies were permanently forced out of business. Disparate industry wage levels along with recession-reduced demand for meat were repeatedly cited as major reasons behind the industry's instability during the early 1980's. In 1983, faced with continued plant closings, relatively high unemployment in general, and a major bankruptcy filing, the unions agreed to major concessions in wage and benefit programs.

The upshot of the renegotiated labor settlements was that average wage levels in 1983 fell below year-earlier levels for the first time since the Depression of the 1930's. The U.S. Department of Labor reported average hourly wages in the meat packing industry fell five percent in 1983 to $8.58. Average weekly earnings were reported at $354.35.

Packing industry wages have traditionally been above those of all manufacturing industries as a whole. But in 1983, for the first time since World War II, average hourly earnings in meat packing fell below the all manufacturing average.

Part II — Financial Data for Participating Companies

The 1983 AMI financial survey includes data from 86 meat packing companies and 62 meat processing companies. Participating packers accounted for 54 percent of the commercial cattle slaughter, 51 percent of the commercial lamb slaughter, and 68 percent of the commercial hog slaughter in 1983. Sales of participating packers represented 64 percent of total estimated meat packing industry sales in 1983.

Meat packing companies are defined as those involved in the slaughter of livestock, regardless of whether they also further process meats and meat products. Meat processing firms are defined as those companies which do not slaughter livestock, but specialize in manufacturing sausage and other processed meat products. These firms procure raw materials from meat packers either directly or through brokers.

For purposes of classification, meat packers are grouped by sales category as follows:

National Packers are those companies with annual sales exceeding $500 million. These companies' products generally are distributed nationwide. This year's survey included 14 national packers, whose sales accounted for 78 percent of the total sales of all participating packers.

Regional Packers are companies with annual sales of $50 million to $500 million. While these companies generally do not distribute their products nationally, many of them have good market coverage in their regions and compete strongly with national packers. This year's survey included 38 regional packers accounting for 20 percent of total participating packer sales.

Local Packers are defined as those companies with annual sales less than $50 million. Firms in this category generally distribute their products in the areas immediately adjacent to their plants. This year's survey included 34 local packers, whose sales accounted for 2 percent of total participating packer sales.

Business Structure

The majority of the 1983 survey participants were independently incorporated companies. Most of the 59 companies in this category were privately-held, with relatively few stockholders. Over three-fourths of the 49,048 stockholders represented in this category were associated with only three companies and almost two-thirds were associated with only one. Similarly, a minority of the 50 independently-incorporated meat processors accounted for the majority of the processing participants' 10,073 stockholders. Most participating packing and processing firms are family-owned or closely-held concerns with few stockholders.

The 1983 survey included 35 meat packing or processing subsidiaries of conglomerate corporations and four cooperatives.

TABLE 2-1

Business Structure of Participants, 1983

Type of Structure	No. of Companies	
	Meat Packers	Meat Processors
Cooperatives	3	1
Subsidiaries	24	11
Independently Incorporated	59	50
Total Companies	86	62
Number of Stockholders	49,048	10,073

Sales Dollar by Company Classification

A breakdown of the sales dollar by company classification shows that meat packers participating in the survey earned only 0.6 cents after taxes on each dollar of sales while the average for participating meat processors was only 2.3 cents per dollar of sales. Regional and local packers' net return on sales was 0.9 cents per dollar compared with 0.5 cents for national packers.

Livestock and raw material costs represented a larger portion of local packers' sales dollar than of national and regional packers' sales dollar. Many participating regional packers are involved in further processing of branded products and the gross operating margin in these operations tends to be wider than those of slaughter-only operations.

Wage, salary, and benefit costs accounted for 13.4 percent of meat processors' sales compared with an average 9.9 percent of meat packers' sales. Labor costs amounted to 9.8 percent of national packers' sales, 10.3 percent of regional packers' sales, and 9.6 percent of local packers' sales.

TABLE 2-2

Percentage Breakdown of the Sales Dollar by Company Classifications, 1983

Item	Meat Packing Companies				Meat Processing Companies
	National	Regional	Local	Total	
Total Sales	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Livestock and Raw Materials	79.0	77.4	80.7	78.7	61.3
Gross Margin	21.0	22.6	19.3	21.3	38.7
Operating Expenses					
Wages and Salaries	7.4	7.8	7.8	7.5	10.1
Employee Benefits					
Retirement Expense	.4	.3	.2	.4	.7
Payroll Taxes	.6	.7	.6	.6	.8
Insurance & Hospitalization	.8	.9	.6	.9	.9
Vacation, Holiday, & Sick Leave	.5	.5	.3	.5	.7
All Other	.2	.1	.1	.2	.2
Total Benefits	2.4	2.5	1.8	2.4	3.3
Interest	.4	.3	.4	.4	.5
Depreciation	.7	.7	.8	.7	1.4
Rents	.3	.3	.2	.3	.5
Taxes*	.1	.1	.2	.1	.3
Supplies & Containers	3.5	3.2	2.1	3.4	6.3
All Other Expenses	5.2	5.7	4.6	5.3	12.2
Total Operating Expenses	**19.9**	**20.8**	**17.9**	**20.1**	**34.6**
Income Before Taxes	1.1	1.7	1.4	1.3	4.1
Income Taxes	.6	.8	.5	.6	1.8
Net Income	**.5**	**.9**	**.9**	**.6**	**2.3**

*Other than Social Security and Income Taxes. Totals may not add due to rounding.

Meat processors reported state and federal income taxes equivalent to 1.8 percent of their sales, while income taxes for meat packers averaged 0.6 percent of sales. Participant data suggest the effective tax rate for packers averaged 46 percent compared with 44 percent for processors.

Earnings Ratios

Earnings ratios improved for regional packers in 1983 but declined for national and local packers. For all packer participants as a whole, earnings ratios were down in 1983.

Average income-to-sales for all packer participants fell from .91 percent in 1982 to .60 percent in 1983; average income-to-assets fell from 5.76 percent to 3.58 percent; and average income-to-net worth fell from 11.82 percent to 7.66 percent. The largest group of participants had income-to-sales ratios between 0 and 1 percent, placing them in the low percentage bracket. Similarly, the low bracket of earnings-to-assets accounted for the largest participant grouping, those with ratios between 0 and 5 percent. However, when income-to-net worth is analyzed, the largest group of participants fell in the medium bracket of 5 percent to 15 percent, followed closely by packers in the high ratio bracket of income-to-net worth exceeding 15 percent.

Fourteen packers reported a loss in 1983. These companies accounted for 16 percent of all packers participating in the survey.

On average, participating meat processors enjoyed a better year in 1983. The average income-to-sales for processors rose from 1.99 in 1982 to 2.34 in 1983. Nevertheless, 17 percent of the processor participants reported a losing year.

TABLE 2-3

Earnings Ratios, 1982-83

Company Classifications	Earnings to Sales 1982	Earnings to Sales 1983	Earnings to Assets 1982	Earnings to Assets 1983	Earnings to Net Worth 1982	Earnings to Net Worth 1983
Meat Packing			Percent			
14 National Packers	.94%	.52%	5.79%	3.01%	11.90%	6.60%
38 Regional Packers	.78	.89	5.62	6.03	11.58	11.81
34 Local Packers	.93	.90	5.81	5.60	10.82	10.35
86 Company Average	.91	.60	5.76	3.58	11.82	7.66
Percentage Brackets*			Number of Companies			
High Ratios	17	15	20	16	33	31
Medium Ratios	14	18	25	27	32	35
Low Ratios	41	39	26	28	6	6
Loss	11	14	11	14	11	13
Total Packers	83	86	82	85	82	85
Meat Processing			Percent			
62 Meat Processing Co's.	1.99	2.34	5.93	6.48	9.23	10.41
Percentage Brackets*			Number of Companies			
High Ratios	24	24	17	18	24	18
Medium Ratios	15	10	20	16	22	23
Low Ratios	15	17	17	17	8	10
Loss	8	11	8	11	8	11
Total Processors	62	62	62	62	62	62

*Percentage Brackets are defined as follows:
Earnings-to-Sales: High, over 2%; Medium, 1 to 2%; Low, 0 to 1%.
Earnings-to-Assets: High over 10%; Medium, 5 to 10%; Low, 0 to 5%.
Earnings-to-Net Worth: High, over 15%; Medium, 5 to 15%; Low, 0 to 5%.

Packer Sales by Product Category

Fresh meat sales accounted for three-fourths of products sold by packers participating in the survey.

National packers reported fresh meat sales accounted for almost 80 percent of total sales, the largest fresh meat sales share of all packer groups. Regional packers, by contrast, reported that fresh meat represented 56 percent and processed meat accounted for 43 percent of their sales.

Sales Dollar by Species

Net income for participating cattle and hog packers declined in 1983, with hog packers reporting a more severe decline than cattle packers. As a percent of sales, cattle packer's net income declined from 0.8 percent in 1982 to 0.6 percent in 1983, while hog packers' net income fell from 1.1 percent of sales in 1982 to 0.4 percent in 1983.

Return on sales for hog packers is typically higher than

TABLE 2-4

Breakdown of Sales Dollar by Product Category, 1983

	Meat Packing Companies National	Regional	Local	Total
No. of Companies	14	38	34	86
		Percent of Sales		
Product Category				
Fresh Meat	79.2%	55.6%	71.9%	74.4%
Processed Meat	17.7	42 7	24.2	22.8
Non-Meat Items	3.1	1.7	3.9	2.8
	100.0	100.0	100.0	100.0

TABLE 2-5a

Breakdown of Meat Packers' Sales Dollar by Species Slaughtered 1982-83

Item	Cattle Packers[1]		Hog Packers[1]	
	1982	1983	1982	1983
Total Sales	100.0%	100.0%	100.0%	100.0%
Cost of Livestock	86.5	86.3	68.3	69.3
Gross Margin	13.5	13.7	31.7	30.7
Operating Expenses				
Wages and Salaries	5.1	5.0	11.0	11.0
Employee Benefits				
Retirement Expense	.1	.1	.7	.6
Payroll Taxes	.4	.4	.8	.8
Insurance & Hospitalization	.4	.5	1.3	1.3
Vacation, Holiday, & Sick Leave	.2	.2	.9	.8
All Other	Sm.	.1	.1	.3
Total	1.3	1.4	3.8	3.9
Interest	.3	.2	.5	.6
Depreciation	.5	.5	1.0	1.1
Rents	.3	.2	.3	.4
Taxes	.1	.1	.1	.2
Supplies & Containers	1.8	1.9	5.3	5.4
All Other	2.6	3.3	7.7	6.8
Total Operating Expenses	12.0	12.7	29.7	29.3
Income Before Taxes	1.5	1.0	2.0	1.4
Income Taxes	.7	.4	.9	1.0
Net Income	.8	.6	1.1	.4

[1]*Refers to AMI Annual Financial Survey participants whose slaughter of identified species represented at least 75% of their total liveweight slaughter.*
Percentages may not add due to rounding.

for cattle packers because of the further processing and higher value-added nature of hog packing. In 1983, however, participating hog packers reported a much poorer performance than cattle packers largely because of labor difficulties and operational turmoil associated with several strikes, plant closings, and a major reorganization under the bankruptcy laws.

The difference in the severity of the declines in income between the two groups was more pronounced when analyzed in terms of return on net worth: cattle packers' return on net worth averaged 11.1 percent in 1983 compared with 3.9 percent for hog packers. By comparison, the average return on net worth for all manufacturing companies in 1983 was 10.3 percent.

TABLE 2-5b

Financial Ratios for Meat Packers Compared with All Manufacturers, 1983

Industry Segment	Earnings as Percent of			Sales to Assets Ratio
	Sales	Assets	Net Worth	
Meat Packing Industry	.8	4.8	10.0	6.2
37 Beef Packers	.6	5.1	11.1	8.3
34 Pork Packers	.4	1.9	3.9	4.3
Total Manufacturing	4.1	5.1	10.3	1.3

Source: American Meat Institute and U.S. Department of Commerce

Hog Packer Breakout by Category

The earnings of hog packers involved in further processing appeared to hold up better than earnings of companies involved in fresh pork. Of the 34 participants classified as hog packers, 12 reported that fresh meat sales represented a small part — less than 33 percent — of total sales. These companies earned 1.7 cents after taxes per dollar of sales. Another group of companies, 13 in all, reported fresh meat sales represented one-third to two-thirds of sales. This group of companies earned 0.7 cents after taxes per dollar of product sold. The remaining 9 companies, whose sales were dominated by fresh pork, showed an aggregate loss during the year.

As would be expected, the breakdown of the sales dollar varies by type of pork packer. Fresh pork packers exhibit a higher percentage of the sales dollar for livestock purchased and a lower percentage of the sales dollar for labor costs, gross operating margin and net earnings. Packers involved in further processing exhibit wider operating margins and a larger percentage of labor costs to sales.

TABLE 2-6

Breakdown of Hog Packer's 1983 Sales Dollar By Percent of Fresh Meat Sales

Item	Fresh Meat Sales as % of Total Sales			Total
	Greater Than 67%	34-66%	Less Than 33%	
Number of Companies	9	13	12	34
Average Fresh Meat Sales as % of Total Sales	74.5%	53.0%	24.6%	50.6%
Total Sales	100.0	100.0	100.0	100.0
Cost of Livestock & Raw Materials	79.0	70.3	58.7	69.3
Gross Margin	21.0	29.7	41.3	30.7
Operating Expenses				
Wages and Salaries	8.1	10.2	14.8	11.0
Employee Benefits				
Retirement Expense	.5	.6	.8	.6
Payroll Taxes	.7	.8	1.0	.8
Insurance & Hospitalization	1.1	1.2	1.7	1.3
Vacation, Holiday & Sick Leave	.6	.7	1.0	.8
All Other Benefits	.1	.2	.7	.3
Total Benefits	3.1	3.4	5.2	3.9
Interest	.4	.8	.5	.6
Depreciation	.5	1.3	1.5	1.1
Rents	.6	.2	.6	.4
Taxes	.1	.2	.2	.2
Supplies & Containers	3.5	5.9	6.3	5.4
All Other Expenses	6.0	6.1	8.7	6.8
Total Operating Expenses	22.2	28.1	37.8	29.3
Earnings Before Taxes	−1.2	1.6	3.5	1.4
Income Taxes	.2	.9	1.8	1.0
Net Earnings	−1.4	.7	1.7	.4

Percentages may not add due to rounding.

TABLE 2-7

Percentage Breakdown of Current Assets, 1983

Item	Meat Packing Companies National	Regional	Local	Total	Meat Processing Companies
No. of Companies	14	36	34	84	62
Inventory	40.9%	35.5%	28.6%	39.5%	45.7%
Receivables	49.3	46.8	39.2	48.6	36.4
Other	9.8	17.7	32.2	11.9	17.9
Total Current Assets	100.0	100.0	100.0	100.0	100.0
Current Assets as % of Total Assets	47.4	58.6	62.0	49.6	46.1

Breakdown of Current Assets

Current assets represented an average 50 percent of participating packer's total assets in 1983. National packers reported that current assets represented 47 percent of total assets, while the percentage for local packers was 62 percent. Accounts receivable comprised the largest component of all three packer groups' current assets, with receivables' share declining in line with packer sales size.

Meat processors' current assets averaged 46 percent of total assets during the year. Inventory accounts for a larger share of processors' current assets than of packers', reflecting both the large supplies of raw materials processors typically have on hand and the differences in production practices between processors and slaughterers.

Differences in participants' share of "other" current assets, including items such as cash and pre-paid expenses, are primarily a function of company size: generally, the smaller a company, the larger its share of "other" current assets relative to total current assets.

TABLE 2-8

Ratio of Current Assets to Current Liabilities, 1982-83

Company Classifications	1982	1983
Meat Packing	**Ratios**	
14 National Packers	1.87	1.63
37 Regional Packers	1.63	1.59
34 Local Packers	2.56	2.94
85 Company Average	1.82	1.64
Ratio Groups	**No. of Companies**	
Less than 2	37	44
2 to 3	22	15
3 to 4	9	8
4 to 5	4	7
Over 5	10	11
Total Packers	82	85
Meat Processing	**Ratios**	
62 Meat Processing Co's.	2.11	1.94
Ratio Groups	**No. of Companies**	
Less than 2	34	28
2 to 3	7	12
3 to 4	10	11
4 to 5	2	3
Over 5	9	8
Total Processors	62	62

Current Ratio

The ratio of current assets to current liabilities declined for both participating packers and processors in 1983. Packers' current ratio averaged 1.64, down from 1.82 in 1982, with only local packers reporting an increase. Despite the decline in the average current ratio for all participants, a larger number of packers reported ratios greater than 4 in 1983 than in 1982. Processors' average current ratio declined from 2.11 in 1982 to 1.94 in 1983.

Liabilities to Net Worth

Current and total liabilities both increased relative to net worth for participating packers and processors in 1983.

The increase in packer liabilities relative to net worth was due solely to an increase in the national packer category, where total liabilities averaged $1.19 for every dollar of net worth in 1983; total liabilities for regional and local packers were equivalent to 96 cents and 85 cents, respectively, for every dollar of net worth. Liability ratios for meat processors increased in 1983, but nevertheless were well below packer ratios. The average ratio of total liabilities to net worth for participating processors was .61 in 1983, up from .56 in 1982.

TABLE 2-9

Ratio of Liabilities to Net Worth 1982-83

Company Classifications	1982	1983
Current Liabilities to Net Worth		
Meat Packing		
14 National Packers	.56	.64
37 Regional Packers	.76	.72
34 Local Packers	.45	.39
85 Company Average	.59	.65
Meat Processing		
62 Meat Processing Co's.	.36	.38
Total Liabilities to Net Worth		
Meat Packing		
14 National Packers	1.06	1.19
37 Regional Packers	1.06	.96
34 Local Packers	.86	.85
85 Company Average	1.05	1.14
Meat Processing		
62 Meat Processing Co's.	.56	.61

Working Capital Ratios

The "quality" of working capital is influenced by the composition of current assets. Inventory and receivables comprise the bulk of current assets, but because inventory is subject to fluctuations in value and receivables reflect a firm's credit judgements as well as representing its major source of operating income, the dependence of working capital on inventory and receivables can be critical. The following ratios serve to measure that dependence.

The ratio of inventory to working capital for all packer participants rose from .87 in 1982 to 1.03 in 1983. Among packer groups, only local packers reported a decline in inventories relative to working capital during the year. Meat processors, whose inventories typically account for a higher percentage of their current assets than is the case for meat packers, also reported a decline in their average ratio of inventory to working capital in 1983.

TABLE 2-10

Ratio of Inventory to Working Capital 1982-83

Company Classifications	1982	1983
Meat Packing		
14 National Packers	.86	1.06
36 Regional Packers	1.01	1.04
34 Local Packers	.54	.43
84 Company Average	.87	1.03
Meat Processing		
62 Meat Processing Co's.	.98	.94

The ratio of receivables to working capital averaged 1.26 for all packer participants during 1983, up from 1.08 a year earlier. National and regional packers reported higher ratios in 1983 while local packers reported a lower ratio. The ratio of receivables to working capital also rose for meat processors in 1983.

TABLE 2-11

Ratio of Receivables to Working Capital 1982-83

Company Classifications	1982	1983
Meat Packing		
14 National Packers	1.04	1.28
36 Regional Packers	1.34	1.38
34 Local Packers	.66	.59
84 Company Average	1.08	1.26
Meat Processing		
62 Meat Processing Co's.	.68	.75

Owner Equity

Owner equity, as measured by the percent net worth is of total assets, increased in 1983 for regional and local packers and declined for national packers. Owner equity averaged 46.7 percent for all packers in 1983. The average owner equity in meat processing companies declined in 1983 to 65.2 percent, but nevertheless remained well above packer owner equity.

TABLE 2-12

Net Worth as Percent of Total Assets 1982-83

Company Classifications	1982	1983
Meat Packing	Percent	
14 National Packers	48.7%	45.6%
37 Regional Packers	48.6	51.1
34 Local Packers	53.7	54.1
85 Company Average	48.7	46.7
Percentage Groups	No. of Companies	
Less than 40%	34	33
40 to 50%	11	14
50 to 60%	13	13
60 to 70%	6	5
70 to 80%	5	9
80 to 90%	9	7
Over 90%	4	4
Total Packers	82	85
Meat Processing	Percent	
62 Meat Processing Co's.	64.2%	62.2%
Percentage Groups	No. of Companies	
Less than 40%	14	15
40 to 50%	11	8
50 to 60%	12	10
60 to 70%	6	8
70 to 80%	10	12
80 to 90%	6	6
Over 90%	3	3
Total Processors	62	62

The ratio of fixed assets to net worth measures how much of a company's net worth is accounted for by permanent, depreciable assets. A ratio of less than 1 implies that all fixed assets are owned outright. A declining ratio implies improvement in a company's ownership of its capital base.

TABLE 2-13

Ratio of Fixed Assets[1] to Net Worth 1982-83

Company Classifications	1982	1983
Meat Packing		
14 National Packers	1.01	1.15
37 Regional Packers	.81	.81
34 Local Packers	.72	.70
85 Company Average	.97	1.08
Meat Processing		
62 Meat Processing Co's.	.80	.87

[1]*Non-current assets used as proxy for fixed assets.*

The ratio of fixed assets to net worth averaged 1.08 for all packers in 1983, up from .97 in 1982. Regional and local packers reported ratios less than 1, with regional packers showing no change during the year and local packers showing a decline. The ratio for meat processors rose to .87 in 1983 from .82 in 1982.

The ratio uses non-current assets as a proxy for fixed assets. Thus, the ratios are overstated to the degree that non-current assets reflect more than fixed assets. Assets that are neither current nor fixed include goodwill, the cash value of life insurance, prepaid expenses and all other non-physical items not intended for conversion to cash during the accounting period. It is estimated these assets are very small relative to fixed assets and hence the degree of overstatement in the ratios is minor.

Working Capital Effectiveness

The ratio of sales to working capital provides a measure of how effectively operating funds are utilized. Up to a point, increases in the ratio indicate more efficient use of working capital. However, an excessively high ratio suggests that working capital is being stretched too thin and points to potential difficulties in servicing current obligations.

Participating packers had an average sales to working capital ratio of 30.80 in 1983. That is, every dollar of working capital supported almost $31 in sales during the year. The ratio was highest for national and regional packers and lowest for local packers. The ratio for processors was well below that of packers.

TABLE 2-14

Ratio of Sales to Working Capital 1982-83

Company Classifications	1982	1983
Meat Packing		
14 National Packers	26.09	31.54
37 Regional Packers	30.77	31.34
34 Local Packers	15.17	16.80
85 Company Average	26.63	30.80
Meat Processing		
62 Meat Processing Co's.	11.70	12.42

Trading Ratio

The ratio of sales to net worth is known as the trading ratio. This ratio provides a measure of the degree to which a company's sales volume is supported by invested capital. An increasing ratio implies improvement in utilizing invested capital while a declining ratio suggests capital resources in excess of a company's needs. In the short-term, however, a declining ratio usually reflects a temporary downturn in sales relative to net worth.

The ratio of sales to net worth for participating meat packers averaged 12.76 in 1983, down from 13.01 a year earlier. The ratio rose slightly for national packers during the year and declined for regional and local packers. Participating meat processors reported sales to net worth of 4.45 in 1983, down from 4.63 in 1982.

TABLE 2-15

Ratio of Sales to Net Worth 1982-83

Company Classifications	1982	1983
Meat Packing		
14 National Packers	12.65	12.66
37 Regional Packers	14.75	13.33
34 Local Packers	11.69	11.47
85 Company Average	13.01	12.76
Meat Processing		
62 Meat Processing Co's.	4.63	4.45

Inventory Turn

Inventory turnover in this report is approximated by the ratio of sales to inventory. Use of this ratio results in a somewhat faster inventory turn than participants actually experienced because of the profit component implicit in both sales and inventory valuation, but the ratio is nevertheless useful for purposes of comparison.

Packer participants reported an average inventory turn of 30.61 in 1983, equivalent to 12 days. Inventory turnover was highest for local packers and lowest for national packers. Meat processors reported an average inventory turn of 13.16 in 1983, equivalent to 28 days. The lower inventory turnover for processors largely reflects the disproportionately high raw materials component in their inventory valuation relative to packers.

TABLE 2-16

Ratio of Sales to Inventory 1982-83

Company Classifications	1982	1983
Meat Packing		
14 National Packers	30.49	29.79
36 Regional Packers	33.71	34.02
34 Local Packers	31.27	34.98
84 Company Average	31.09	30.61
Meat Processing		
62 Meat Processing Co's.	11.90	13.16

Sales Turn

Ratios of sales-to-total assets declined in 1983 for all packer classifications. Sales-to-total assets averaged 5.95 for all packers, with over a fourth of the survey respondents reporting ratios in excess of 9. A measure of sales turnover, the ratio is much higher for meat packers than for other manufacturing industries, underscoring the high-volume nature of meat packing.

TABLE 2-17a

Ratio of Sales to Total Assets 1982-83

Company Classifications	1982	1983
Meat Packing	**Sales Ratios**	
14 National Packers	6.16	5.77
37 Regional Packers	7.16	6.81
34 Local Packers	6.28	6.20
85 Company Average	6.34	5.95
Ratio Groups	**No. of Companies**	
Less than 4	8	11
4 to 5	8	8
5 to 6	13	17
6 to 7	15	13
7 to 8	11	9
8 to 9	7	5
Over 9	20	22
Total Packers	82	85
Meat Processing	**Sales Ratios**	
62 Meat Processing Co's.	2.97	2.77
Ratio Groups	**No. of Companies**	
Less than 4	26	26
4 to 5	10	13
5 to 6	9	8
6 to 7	7	7
7 to 8	3	2
8 to 9	2	3
Over 9	5	3
Total Processors	62	62

The ratio of sales to fixed assets measures the efficiency with which a company utilizes its invested capital. Since fixed assets are normally acquired to improve sales by increasing production or reducing costs, the utilization of these assets must be measured in reference to sales activity.

Sales to fixed assets averaged 11.81 for all participating meat packers in 1983, down from 13.39 in 1982. The ratio declined for national and regional packers during the year, but increased for local packers. Participating meat processors reported sales to fixed assets of 5.13 in 1983.

TABLE 2-17b

Ratio of Sales to Fixed Assets[1] 1982-83

Company Classifications	1982	1983
Meat Packing		
14 National Packers	12.54	10.97
37 Regional Packers	17.90	16.44
34 Local Packers	16.21	16.32
85 Company Average	13.39	11.81
Meat Processing		
62 Meat Processing Co's.	5.76	5.13

[1]*Non-current assets used as proxy for fixed assets.*

Collection Period

Participating packers' outstanding receivables averaged 14.6 days in 1983, up slightly from 1982. The collection period for processors rose by almost a day to 22.1 days. The collection periods were derived assuming that all participant sales were credit sales. They are thus somewhat understated, but the extent of the understatement is believed to be minor.

TABLE 2-18

Average Collection Period in Days 1982-83

Company Classifications	1982	1983
Meat Packing		
14 National Packers	14.6	14.8
37 Regional Packers	13.9	13.7
34 Local Packers	14.4	14.3
84 Company Average	14.5	14.6
Meat Processing		
62 Meat Processing Co's.	21.2	22.1

Selling and Administrative Expenses

Selling and administrative expenses expressed as a percent of total operating expenses showed a slight increase in 1983. Meat packers reported selling and administrative expenses equal to 17.5 percent of their operating expenses in 1983. Selling and administrative expenses accounted for 28.7 percent of meat processors' operating expenses during the year.

TABLE 2-19

Total Selling and Administrative Expenses as Percent of Total Operating Expenses 1982-83

Company Classifications	1982	1983
Meat Packing	Percent	
13 National Packers	16.4%	17.0%
37 Regional Packers	19.4	18.9
29 Local Packers	20.4	21.6
79 Company Average	17.1	17.5
Meat Processing		
55 Meat Processing Co's.	27.2	28.7

Advertising

Advertising expenses represented an average 4.6 percent of meat packers' total operating expenses in 1983, up from 3.7 percent in 1982.

Regional packers devoted a smaller share of operating expenses to advertising in 1983, while both national and local packers devoted increased shares of operating expenses to advertising. Meat processors also increased their advertising spending during the year.

TABLE 2-20

Total Advertising Expenses as Percent of Total Operating Expenses 1982-83

Company Classifications	1982	1983
Meat Packing	Percent	
13 National Packers	3.7%	4.9%
37 Regional Packers	3.8	3.7
29 Local Packers	1.3	2.5
79 Company Average	3.7	4.6
Meat Processing		
55 Meat Processing Co's.	9.7	11.4

Repairs and Maintenance

The repairs and maintenance component of operating expenses rose for both packers and processors in 1983. Packers reported spending 5.0 percent of their operating budget and processors 3.2 percent of their operating budget on repairs and maintenance.

TABLE 2-21

Total Repairs and Maintenance Expense as Percent of Total Operating Expenses 1982-83

Company Classifications	1982	1983
Meat Packing	Percent	
12 National Packers	4.8%	5.3%
37 Regional Packers	4.5	4.1
34 Local Packers	3.7	4.2
83 Company Average	4.7	5.0
Meat Processing		
62 Meat Processing Co's.	3.0	3.2

Capital Expenditures

Capital expenditures declined in 1983 for both participating packers and processors. Capital expenditures for 75 reporting packers totaled $271.0 million in 1983, an average of $3.6 million per packer. For 1982, the average was $4.3 million. The average capital expenditure for national packers was $15.5 million in 1983. For regional packers it averaged $2.1 million. And for local packers it averaged $0.3 million.

Meat processors reported capital expenditures of $62.6 million among 57 firms, an average of $1.1 million per firm.

TABLE 2-22

Capital Expenditures, 1982-83

Company Classifications	Companies Reporting	Million Dollars
Meat Packing		1983
National Packers	12	$186.0
Regional Packers	37	78.1
Local Packers	26	6.9
Total Packers	75	271.0
		1982
National Packers	13	$225.5
Regional Packers	37	66.6
Local Packers	20	6.9
Total Packers	70	298.9
Meat Processing		1983
Total Processors	57	$62.6
		1982
Total Processors	58	$68.1

Part III — Characteristics of the Industry

Meat packing and processing comprise the largest segment of the United States food manufacturing industry. Based on the AMI survey, the meat packing industry had 1983 sales of $50.0 billion. Due to data limitations, it is not possible to obtain strictly comparable sales data for the meat processing industry. However, an estimate may be derived from 1977 census data, which showed the value of shipments by the meat industry equal to 27 percent of the value shipped by the meat packing industry. This suggests sales of the meat processing industry were close to $13.5 billion, and sales of the entire meat packing and processing industry totaled $63.5 billion in 1983. By way of contrast, total sales of food manufacturers (including alcohol) were reported at $270.7 billion in 1983.

TABLE 3-1

Number of Livestock Slaughter Plants 1982 and 1983

Item	1982	1983
Year-End Livestock Slaughter Plants		
Federally Inspected	1,652	1,666
Other	4,037	3,892
Total	5,689	5,558
Plants Slaughtering During Year		
Cattle	1,506	1,502
Calves	836	817
Hogs	1,344	1,330
Sheep & Lambs	986	1,016

Source: USDA, SRS

Number of Plants

At the end of 1983 there were 1,666 federally inspected livestock slaughtering plants, up from 1,652 plants a year earlier (Table 3-1).

Of federally inspected slaughtering plants, 1,502 slaughtered cattle in 1983, 817 slaughtered calves, 1,330 slaughtered hogs, and 1,016 slaughtered sheep and lambs.

A large number of small custom operations and meat locker plants do not come under federal inspection, but are subject to state inspection. According to government estimates, there were 3,892 livestock slaughtering establishments not covered by federal inspection at the end of 1983, down from 4,037 a year earlier.

Type of Slaughter

The meat and poultry inspection program of the U.S. Department of Agriculture is established by law to apply uniform standards for meat inspection and to assure safe, wholesome, and accurately labeled products. Only federally inspected plants may sell their products across state lines or export to other nations.

In recent years, federally inspected plants have accounted for an increasing share of total commercial slaughter. In 1983, 95 percent of the cattle, 91 percent of the calves, and 97 percent of the hogs and sheep and lambs were slaughtered in federally inspected plants (Table 3-2).

TABLE 3-2

Federally Inspected Slaughter as Percent of Total Commercial Slaughter

Year	Cattle	Calves	Hogs	Sheep & Lambs
1910	61.2	38.5	77.9	77.1
1920	68.8	53.7	84.9	81.4
1930	70.6	64.9	82.4	80.9
1940	67.7	64.1	79.4	82.6
1950	73.2	58.7	81.9	91.3
1960	76.9	64.0	83.7	88.3
1970	87.9	74.3	91.1	94.9
1980	93.6	88.6	95.6	96.1
1981	93.9	88.6	95.9	96.4
1982	94.6	90.4	96.5	97.3
1983	95.0	90.9	96.8	96.9

Source: USDA, SRS

Size of Plants

Food processing, like agriculture in general, has become more specialized, and large operations which can take advantage of economies of size now dominate production. Meat packing is no exception. A relatively small number of federally inspected plants account for most of the livestock slaughtered.

In 1983, cattle slaughterers with a plant capacity of more than 50,000 head per year, or approximately 1,000 head per week, numbered only 135 plants (Table 3-3). Although these plants represented only 9 percent of all federally inspected slaughtering plants, they slaughtered 82 percent of all cattle slaughtered commercially in the United States. Likewise, 104 hog plants, or 8 percent of the total, reported slaughtering more than 100,000 head per year, or approximately 2,000 head per week. These 104 plants accounted for 92 percent of the nationwide commercial hog slaughter in 1983.

The number of calf slaughter plants reporting 10,000 head or more annual slaughter was 56, representing 7 percent of the plants and 83 percent of the slaughter. The number of sheep and lamb plants reporting 10,000 head or more annual slaughter was 31, representing 3 percent of the plants and 93 percent of the slaughter.

TABLE 3-3

Number of Large Plants and Percent of Commercial Slaughter

Species and Plant Capacity	Number of Plants	Percent of F.I. Plants	Percent of Commercial Slaughter
Cattle — 50,000 or more			
1975	211	14%	73%
1976	217	13	76
1977	211	14	77
1978	191	13	78
1979	153	10	78
1980	149	11	80
1981	129	8	79
1982	134	9	80
1983	135	9	82
Calves — 5,000 or more			
1975	88	11	71
1976	98	11	79
1977	105	11	81
1978	85	10	82
1979	70	9	85
1980	66	9	84
— 10,000 or more			
1981	49	6	78
1982	55	7	82
1983	56	7	83
Hogs — 100,000 or more			
1975	118	10	90
1976	116	9	85
1977	117	10	90
1978	109	9	91
1979	114	9	92
1980	115	9	92
1981	110	8	91
1982	101	8	91
1983	104	8	92
Sheep & Lambs — 1,000 or more			
1975	72	9	96
1976	80	9	96
1977	70	8	96
1978	65	7	95
— 10,000 or more			
1979	26	3	94
1980	24	3	94
1981	27	3	93
1982	27	3	93
1983	31	3	93

Source: USDA, SRS

Method of Livestock Procurement

Most livestock procured for slaughter in the United States are purchased on a liveweight basis. During the past decade there has been some increase in the percentage of livestock purchased on a carcass grade and weight basis (Table 3-4).

Most recent government data show that packers purchased 33 percent of the cattle, 22 percent of the calves, 14 percent of the hogs and 29 percent of the sheep and lambs on a carcass basis. For each classification except sheep, the 10 largest packers purchased a larger percentage on a carcass basis.

Three states — Nebraska, Iowa and Colorado — accounted for over one-half of all grade and weight purchases of steers and heifers. Four states — Texas, Nebraska, Iowa and Minnesota — accounted for almost one-half of cows and bulls purchased on a carcass basis. Iowa, the leading hog state, accounted for almost one-third of the hogs purchased on a carcass basis.

TABLE 3-4

Livestock Purchased on a Grade and Weight Basis as Percent of Total Purchases, 1971-82

Year	Cattle	Calves	Hogs	Sheep & Lambs
Ten Largest Packers*				
1971	24%	6%	7%	11%
1972	27	6	9	13
1973	31	4	9	10
1974	30	12	11	11
1975	31	29	15	11
1976	30	24	17	11
1977	24	22	14	9
1978	29	24	16	3
1979	29	34	17	12
1980	35	89	17	10
1981	29	97	22	4
1982	38	96	21	9
All Packers				
1971	21	6	5	7
1972	22	6	5	9
1973	23	5	6	8
1974	23	6	7	9
1975	24	9	9	11
1976	23	9	11	9
1977	23	9	9	9
1978	26	10	10	10
1979	27	17	11	24
1980	27	21	11	28
1981	28	17	13	19
1982	33	22	14	29

Source: USDA, P&SA
**Based upon total dressed weight of all livestock slaughtered*

Source of Livestock Procurement

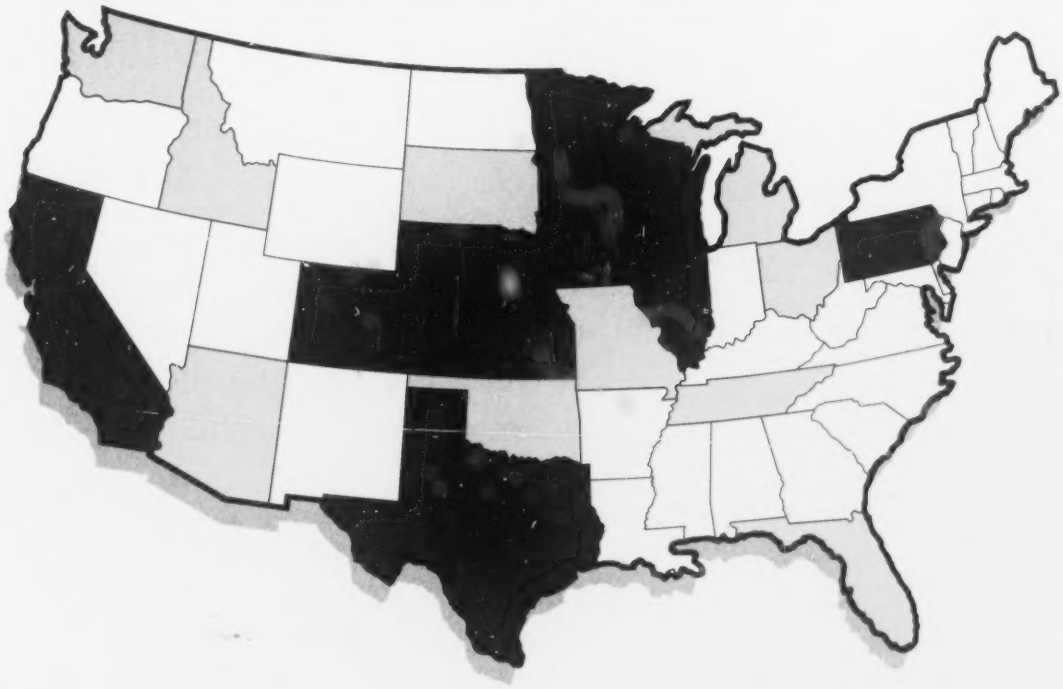
Most packers obtain livestock from producers directly or via country buying stations. Most recent data show that 78 percent of cattle, 79 percent of hogs, and 81 percent of sheep and lambs were procured directly. Auction markets remained a major source of calves, accounting for 53 percent of packer purchases. Auction markets also remain the major source of cow and bull procurement, accounting for 51 percent of purchases. By contrast, 88 percent of steers and heifers were procured either directly from feedlots or farms via country dealers.

Location of Slaughter Plants

The geographic distribution of slaughter plants tends to match roughly the density of livestock production. Hog production and slaughter is concentrated in the corn-producing states, while cattle slaughter is concentrated in the major cattle-feeding states. California, Colorado, and Texas dominate lamb production and slaughter, while calf slaughter is concentrated in the dairy producing states of New York, Wisconsin, and Pennsylvania.

The tables and charts on the following pages provide detailed procurement data for each livestock species in the major slaughter states.

Cattle Slaughter and Procurement, 1983



State	Commercial Slaughter		Procurement Source*			Grade & Weight Purchases as % of Total Purchases*
	Ths. Head	Percent of Total	Direct	Terminal Market	Auction Market	
Texas	6,110	16.7%	88.9%	0.5%	10.6%	17.8%
Nebraska	5,071	13.8	79.5	12.6	7.8	46.8
Kansas	4,709	12.8	99.3	0.3	0.4	17.5
Iowa	3,296	9.0	86.6	7.4	6.1	52.2
Colorado	2,155	5.9	98.1	—	1.9	51.5
California	1,684	4.6	83.1	—	16.9	6.7
Wisconsin	1,246	3.4	42.5	23.3	34.2	32.4
Minnesota	1,165	3.2	64.9	24.9	10.2	55.7
Illinois	1,156	3.2	59.3	22.3	18.4	11.8
Pennsylvania	949	2.6	25.3	6.2	68.6	4.9
Total Above	**27,541**	**75.1**	**83.3**	**6.7**	**10.0**	
Washington	932	2.5	90.5	—	9.5	83.5
Missouri	765	2.1	69.1	11.6	19.3	61.9
Idaho	744	2.0	74.1	—	25.9	59.5
South Dakota	682	1.9	51.0	24.7	24.3	20.2
Ohio	630	1.7	56.9	11.2	31.9	30.0
Oklahoma	541	1.5	85.3	7.0	7.8	6.9
Michigan	537	1.5	12.7	12.3	75.1	3.7
Florida	385	1.1	58.7	—	41.3	38.8
Arizona	361	1.0	84.4	—	15.6	2.1
Tennessee	325	0.9	43.1	21.8	35.1	14.3
Total Above	**33,443**	**91.3**	**80.4**	**6.9**	**12.7**	
United States	36,649	100.0	78.1	7.0	14.9	32.6

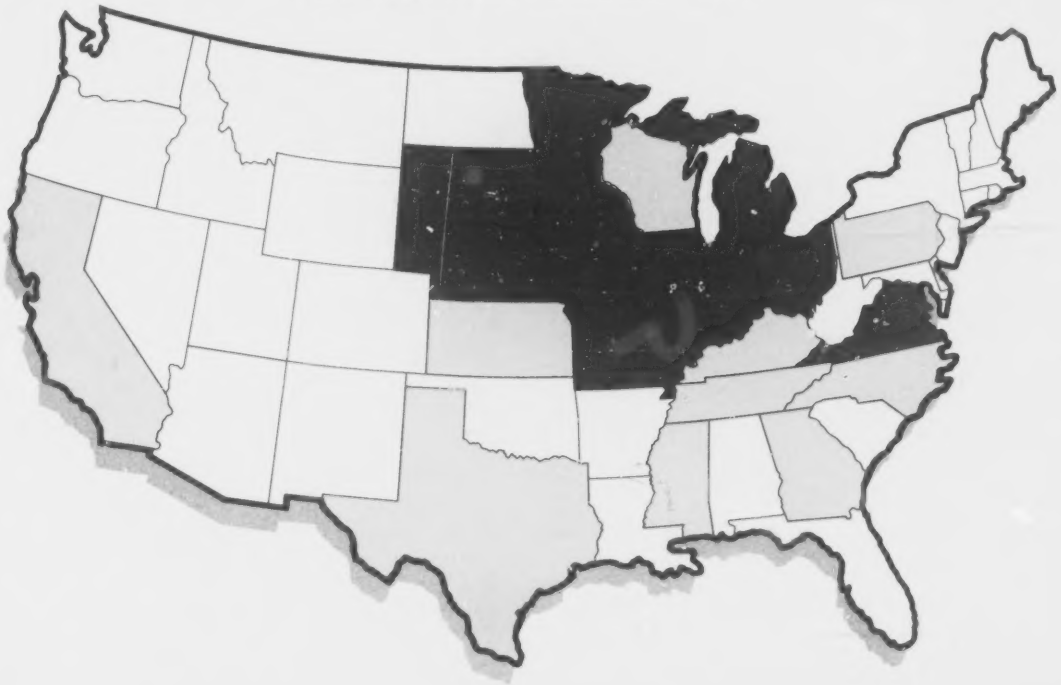
Source: USDA, SRS and P&SA
**Based on 1982 data*
—Less than 0.1%
Totals may not add due to rounding

Calf Slaughter and Procurement, 1983

State	Commercial Slaughter		Procurement Source*			Grade & Weight Purchases as % of Total Purchases*
	Ths. Head	Percent of Total	Direct	Terminal Market	Auction Market	
New York	636	20.7%	28.8%	—%	71.2%	26.3%
Wisconsin	444	14.4	57.8	14.1	28.1	36.9
Pennsylvania	303	9.8	17.2	1.4	81.4	5.9
Texas	258	8.4	55.9	1.0	43.0	20.8
California	238	7.7	30.5	—	69.5	11.1
Illinois	192	6.2	57.0	12.7	30.4	—
New England†	175	5.7	41.0	12.6	46.4	4.0
Florida	114	3.7	53.0	—	47.0	9.0
Indiana	109	3.5	100.0	—	—	100.0
New Jersey	108	3.5	86.2	—	13.8	32.4
Total Above	**2,577**	**83.8**	**42.2**	**4.5**	**53.3**	
Louisiana	106	3.4	10.7	—	89.3	—
Michigan	75	2.4	28.9	6.8	64.3	21.9
Washington	66	2.1	87.4	—	12.6	58.8
Delaware/Maryland	46	1.5	88.6	—	11.4	40.0
South Carolina	42	1.4	34.3	—	65.7	8.8
Tennessee	39	1.3	—	48.1	51.9	—
Ohio	29	0.9	76.5	—	23.5	—
Mississippi	25	0.8	96.1	—	3.9	25.0
Georgia	19	0.6	99.5	—	0.5	100.0
Oregon	9	0.3	81.9	—	18.1	83.3
Total Above	**3,033**	**98.6**	**42.6**	**4.3**	**53.1**	
United States	3,077	100.0	42.8	4.3	57.9	22.2

Source: USDA, SRS and P&SA
**Based on 1982 data*
—Less than 0.1%
†Includes CT, ME, MA, NH, RI, VT
Totals may not add due to rounding

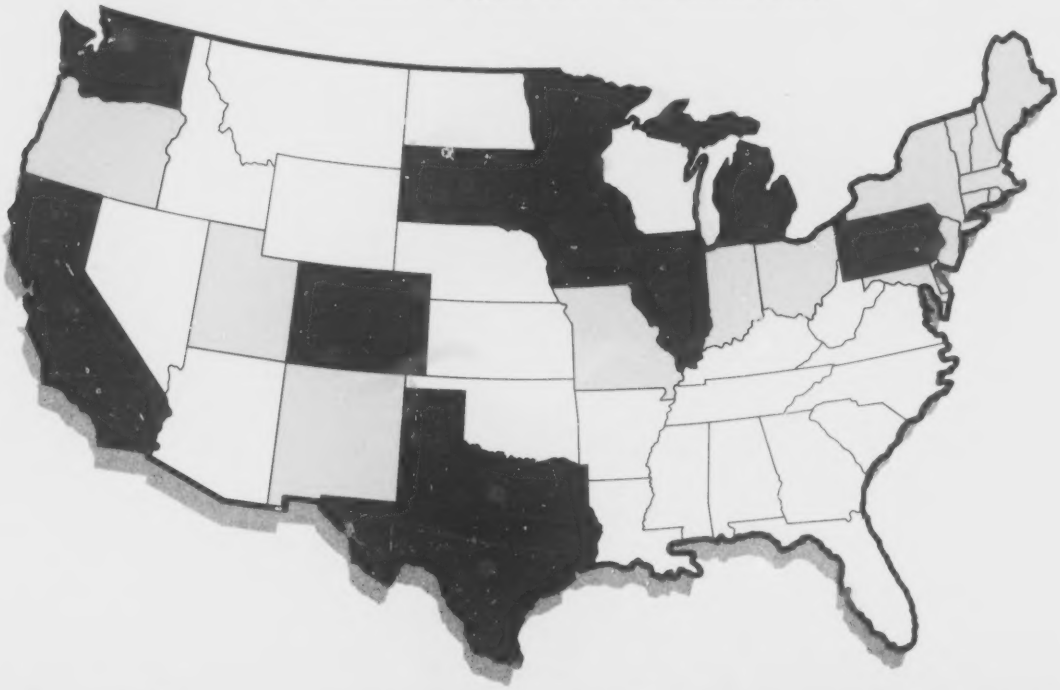
Hog Slaughter and Procurement, 1983



State	Commercial Slaughter		Procurement Source*			Grade & Weight Purchases as % of Total Purchases*
	Ths. Head	Percent of Total	Direct	Terminal Market	Auction Market	
Iowa	21,428	24.5%	87.2%	9.6%	3.2%	18.4%
Illinois	7,796	8.9	82.8	15.9	1.3	13.0
Minnesota	5,794	6.6	89.1	10.2	0.6	30.8
Michigan	5,285	6.0	48.8	34.9	16.3	—
Nebraska	4,627	5.3	90.9	2.9	6.2	49.5
Virginia	3,925	4.5	94.4	0.5	5.1	—
Missouri	3,774	4.3	84.6	13.3	2.1	12.3
Ohio	3,632	4.1	64.3	16.0	19.8	10.2
Indiana	3,286	3.8	81.6	5.2	13.2	8.1
South Dakota	3,009	3.4	82.1	15.1	2.8	24.6
Total Above	**62,556**	**71.4**	**81.7**	**12.5**	**5.8**	
Kentucky	2,531	2.9	82.9	7.7	9.4	11.1
Pennsylvania	2,448	2.8	55.7	16.2	28.0	3.4
Wisconsin	2,436	2.8	78.6	6.6	14.8	8.6
Mississippi	2,404	2.7	95.8	3.1	1.2	—
North Carolina	2,388	2.7	92.3	0.2	7.5	—
Georgia	2,163	2.5	56.5	0.2	43.3	—
Tennessee	2,019	2.3	85.6	8.8	5.6	17.3
California	1,824	2.1	43.1	53.4	3.5	0.6
Kansas	1,417	1.6	95.1	2.0	2.9	20.2
Texas	1,281	1.5	41.2	22.0	36.8	4.6
Total Above	**83,467**	**95.2**	**80.0**	**12.2**	**7.8**	
United States	87,584	100.0	79.0	12.0	8.9	14.2

Source: USDA, SRS and P&SA
**Based on 1982 data*
—Less than 0.1%
Totals may not add due to rounding

Sheep & Lamb Slaughter and Procurement, 1983



State	Commercial Slaughter		Procurement Source*			Grade & Weight Purchases as % of Total Purchases*
	Ths. Head	Percent of Total	Direct	Terminal Market	Auction Market	
Colorado	1,528	23.1%	100.0%	—%	—%	61.1%
California	1,464	22.1	97.3	—	2.7	35.7
Texas	752	11.4	90.8	—	9.2	19.8
Iowa	551	8.3	37.6	42.9	19.4	—
South Dakota	508	7.7	66.6	33.1	0.4	11.3
Minnesota	476	7.2	72.8	24.2	3.0	5.1
Michigan	333	5.0	0.1	9.9	90.1	—
Illinois	169	2.6	38.3	35.8	25.9	—
Washington	162	2.4	99.6	—	0.4	74.9
Pennsylvania	151	2.3	48.6	2.4	49.1	—
Total Above	**6,094**	**92.1**	**82.5**	**7.7**	**9.8**	
New Mexico	141	2.1	67.0	—	33.0	—
New York	53	0.8	21.8	—	78.2	—
New Jersey	53	0.8	63.9	2.8	33.3	—
Delaware/Maryland	52	0.8	31.0	—	69.0	10.0
Utah	31	0.5	98.0	—	2.0	35.7
Missouri	31	0.5	7.5	64.5	28.0	—
Ohio	30	0.5	7.6	—	92.4	—
New England†	27	0.4	47.6	45.4	7.0	—
Oregon	18	0.3	91.8	—	1.9	100.0
Indiana	13	0.2	50.5	—	49.5	—
Total Above	**6,543**	**98.8**	**81.4**	**7.7**	**10.9**	
United States	6,619	100.0	81.3	7.7	11.0	28.9

Source: USDA, SRS and P&SA
**Based on 1982 data*
—Less than 0.1%
†Includes CT, ME, MA, NH, RI, VT
Totals may not add due to rounding

TABLE A-1

Financial Ratios for Manufacturing Industries, 1982-83

Industries	Earnings as % of Sales		Earnings as % of Assets		Earnings as % of Net Worth		Sales to Assets Ratio		Net Worth as % of Total Assets	
Durable Goods	1982	1983	1982	1983	1982	1983	1982	1983	1982	1983
Motor Vehicles & Equipment	.64%	4.94%	.93%	8.29%	2.08%	17.86%	1.46	1.68	44.70%	46.43%
Aircraft, Missiles & Parts	3.24	3.77	3.56	4.37	11.36	13.18	1.10	1.16	31.39	33.13
Other Transportation Equipment	2.15	.78	2.01	.67	7.56	2.57	.94	.86	26.64	26.18
Electrical & Electronic Equipment	4.35	3.85	5.39	4.58	11.18	9.61	1.24	1.19	48.23	47.64
Machinery, Except Electrical	4.34	4.40	4.36	4.23	8.49	7.88	1.00	.96	51.41	53.75
Fabricated Metal Products	2.34	2.65	3.48	3.87	7.07	8.13	1.49	1.46	49.16	47.63
Iron and Steel	(5.46)	(5.89)	(5.94)	(6.18)	(15.90)	(18.65)	1.09	1.05	37.32	33.14
Nonferrous Metals	(1.02)	(.40)	(.99)	(.39)	(2.20)	(.87)	.96	.98	44.89	44.85
Stone, Clay & Glass Products	1.34	2.52	1.53	3.00	3.06	6.11	1.15	1.19	50.12	49.07
Instruments & Related Products	7.84	6.95	8.74	7.41	13.70	11.47	1.11	1.07	63.77	64.54
Other Durable Manufacturing	1.69	2.77	2.47	4.43	5.30	9.60	1.45	1.60	46.48	46.13
Total Durable Goods	2.39	3.14	2.83	3.77	6.08	8.01	1.19	1.20	46.57	47.07
Nondurable Goods										
Food and Kindred Products	3.10	3.28	5.84	6.14	12.22	12.54	1.88	1.87	47.77	48.94
Tobacco Manufacturers	11.84	12.12	8.63	9.87	17.97	17.85	.73	.81	48.05	55.33
Textile Mill Products	1.96	3.37	3.59	6.01	6.53	11.45	1.83	1.79	54.91	52.48
Paper & Allied Products	2.42	3.54	2.76	4.16	5.47	8.50	1.14	1.18	50.47	49.01
Printing and Publishing	4.56	5.86	6.27	7.96	13.15	16.65	1.38	1.36	47.71	47.79
Drugs	13.06	13.41	11.38	11.58	19.17	19.87	.87	.86	59.33	58.26
Industrial Chemicals & Synthetics	3.29	3.78	3.14	3.86	6.75	7.88	.96	1.02	46.57	48.99
Other Chemicals & Allied Products	5.53	5.53	6.74	6.87	11.51	13.15	1.22	1.24	58.53	52.22
Petroleum & Coal Products	5.64	5.88	6.65	6.19	13.08	11.97	1.18	1.05	50.85	51.73
Rubber & Misc. Plastic Products	2.54	3.59	3.86	5.77	7.96	11.54	1.52	1.61	48.54	49.98
Other Nondurable Manufacturing	2.35	2.87	4.64	5.69	9.63	11.38	1.97	1.98	48.15	49.99
Total Nondurable Goods	4.40	4.86	5.85	6.26	11.63	12.32	1.33	1.29	50.28	50.80
Total Manufacturing	**3.49**	**4.06**	**4.40**	**5.07**	**9.08**	**10.33**	**1.26**	**1.25**	**48.50**	**49.01**
MEAT PACKING INDUSTRY	.86	.77	5.70	4.82	11.66	9.97	6.11	6.24	48.87	48.28

Source: Figures for meat packing industry are AMI estimates. All other figures are calculated from reports of the Economic Surveys Division, Bureau of the Census, U.S. Dept. of Commerce.

TABLE A-2

Financial Results of the Meat Packing Industry: 1925-1983 Summary

Year	Million Dollars			Income % of		Income per 100 lbs**	
	Total Sales	Net Worth*	Net Income	Total Sales	Net Worth	Live Weight	Dressed Weight
P&S Series							
1925	$ 3,465	$ 824	$ 47	1.4%	5.7%	20¢	31¢
1930	3,626	887	32	.9	3.7	14	21
1935	2,785	697	37	1.3	5.4	18	30
1940	3,158	721	42	1.3	5.8	15	24
1941	4,066	746	65	1.6	8.7	22	35
1942	5,781	779	67	1.2	8.6	20	32
1943	6,181	783	72	1.2	9.2	21	33
1944	6,400	801	71	1.1	8.9	18	29
1945	5,739	916	51	.9	5.6	15	25
1946	6,138	944	143	2.3	15.2	46	75
1947	9,425	938	148	1.6	15.8	45	74
AMI Series (A)							
1947	9,900	1,000	152	1.5	15.2	45	74
1948	10,500	1,075	96	.9	8.9	31	50
1949	9,900	1,125	61	.6	5.4	19	30
1950	10,050	1,225	89	.9	7.3	28	43
1951	12,150	1,300	84	.7	6.5	26	40
1952	11,675	1,275	52	.5	4.1	15	24
1953	11,175	1,300	86	.8	6.6	24	37
1954	11,275	1,300	48	.4	3.7	13	20
1955	11,075	1,350	105	.9	7.8	26	42
1956	11,275	1,425	113	1.0	7.9	26	41
1957	12,025	1,450	79	.7	5.4	19	30
1958	12,925	1,500	77	.6	5.1	20	31
1959	13,275	1,600	136	1.0	8.5	34	52
1960	13,225	1,650	110	.8	6.7	26	40
1961	13,500	1,675	84	.6	5.0	20	30
1962	13,975	1,675	112	.8	6.7	26	40
1963	14,125	1,725	117	.8	6.8	26	40
AMI Series (B)							
1963	15,325	1,875	129	.9	6.9	25	44
1964	15,900	1,900	182	1.2	9.6	33	57
1965	17,125	2,050	142	.8	6.9	27	46
1966	19,500	2,050	134	.7	6.5	24	42
1967	19,825	2,175	200	1.0	9.2	35	59
1968	20,750	2,150	185	.9	8.6	32	53
1969	23,125	2,325	205	.9	8.8	35	59
1970	24,400	2,450	244	1.0	10.0	41	68
1971	24,725	2,725	334	1.4	12.3	55	89
1972	27,800	2,850	235	.8	8.2	40	64
1973	33,225	3,225	340	1.0	10.5	62	99
1974	35,500	3,375	375	1.1	11.1	63	100
1975	36,650	3,575	380	1.0	10.6	64	105
1976	37,450	3,550	349	.9	9.8	55	89
1977	37,275	3,700	275	.7	7.4	43	70
1978	43,625	4,025	333	.8	8.3	54	87
1979	47,650	3,675	488	1.0	13.3	83	131
1980	47,925	3,950	480	1.0	12.2	79	124
1981	48,525	3,700	343	.7	9.3	56	89
1982	49,650	3,670	428	.9	11.7	72	115
1983	49,975	3,870	386	.8	10.0	62	99
1925-47 Average	4,022	797	46	1.1	5.7	17	27
1947-63 Average	11,884	1,391	94	.8	6.8	25	39
1963-83 Average	32,187	2,994	294	.9	9.8	50	82
1973-83 Average	42,495	3,665	380	.9	10.4	63	101

Source: The 1925-47 P&S Series represents summary reports by the USDA compiled from financial statements of meat packing companies filed with the Packers and Stockyards Administration. These figures have not been available since 1947.

The 1947-63 figures (AMI Series (A)) are AMI estimates, based on Census of Manufacturers reports for Meat Packing, published by the Bureau of the Census.

The 1963-to-date figures (AMI) Series (B)) are AMI estimates based on USDA's annual reports on commercial slaughter and meat production

**P&S Series for net worth is an average for beginning and end of year. The two AMI Series are for year-end.*

***Figures are overstated by the amount of earnings derived from non-meat operations.*

TABLE A-3

Meat Animals Processed by the Meat Packing Industry, 1925-83

Year	Slaughter (1000 Head)				Live Weight (Mil. Lbs.)					Dressed Weight (Mil. Lbs.)				
	Cattle	Calves	Sheep & Lambs	Hogs	Cattle	Calves	Sheep & Lambs	Hogs	Total	Cattle	Calves	Sheep & Lambs	Hogs[1]	Total
USDA														
1925	11,440	6,488	13,971	48,182	10,799	1,147	1,135	10,729	23,810	5,686	659	543	8,110	14,998
1930	10,004	5,630	19,318	50,657	9,433	989	1,585	11,511	23,518	5,140	566	751	8,706	15,163
1935	12,334	7,256	20,179	29,919	11,051	1,381	1,698	6,672	20,802	5,754	776	801	4,994	12,325
1940	12,552	6,815	19,915	59,255	11,609	1,310	1,711	13,520	28,150	6,308	728	806	10,086	17,928
1941	13,886	6,890	20,626	54,627	13,133	1,358	1,815	12,925	29,231	7,186	761	853	9,756	18,556
1942	15,356	7,369	23,907	61,153	14,428	1,540	2,124	14,789	32,881	7,799	860	973	11,129	20,761
AMI														
1943	14,200	6,950	25,050	69,300	13,260	1,425	2,255	17,490	34,430	7,060	795	1,020	13,165	22,040
1944	16,600	9,950	24,200	83,000	15,160	2,140	2,150	19,395	38,845	7,860	1,180	975	14,605	24,620
1945	17,650	10,150	23,100	48,850	16,280	2,215	2,155	12,430	33,080	8,510	1,215	980	9,390	20,095
1946	14,900	8,700	21,750	49,950	13,815	1,810	2,050	12,725	30,400	7,250	1,000	930	9,550	18,730
1947	18,300	10,200	17,250	51,700	16,645	2,140	1,610	13,100	33,495	8,710	1,175	745	9,905	20,535
1948	15,850	9,450	16,200	51,650	14,585	1,945	1,520	12,860	30,910	7,600	1,070	695	9,735	19,100
1949	15,600	8,450	13,400	55,800	14,890	1,760	1,255	13,790	31,695	8,020	970	590	10,490	20,070
1950	15,250	7,750	12,550	60,950	14,730	1,615	1,200	14,760	32,305	7,975	895	570	11,190	20,630
1951	14,150	6,550	10,750	66,750	13,825	1,355	1,045	16,300	32,525	7,510	755	490	12,260	21,015
1952	15,050	6,400	12,850	68,950	14,670	1,395	1,250	16,560	33,785	8,035	775	590	12,480	21,880
1953	19,500	8,350	15,150	61,900	18,610	1,885	1,440	14,655	36,590	10,190	1,050	680	11,155	23,075
1954	21,650	9,250	15,350	57,050	20,350	2,065	1,460	13,745	37,620	11,085	1,140	695	10,510	23,430
1955	22,300	9,000	15,550	64,650	21,200	1,960	1,495	15,535	40,190	11,580	1,080	715	11,890	25,265
1956	23,450	9,050	15,550	73,150	22,755	2,025	1,485	17,110	43,375	12,530	1,115	710	13,005	27,360
1957	23,700	8,600	14,650	66,700	22,950	1,875	1,410	15,620	41,855	12,645	1,045	680	11,890	26,260
1958	21,300	6,700	13,550	63,800	21,110	1,405	1,330	15,035	38,880	11,770	780	645	11,495	24,690
1959	20,100	5,450	14,200	71,700	20,655	1,140	1,400	17,095	40,290	11,770	645	680	13,090	26,185
1960	22,150	5,750	15,000	73,950	22,525	1,230	1,480	17,530	42,765	12,845	695	710	13,390	27,640
1961	22,650	5,506	16,050	70,800	23,270	1,175	1,580	16,935	42,960	13,355	660	765	12,940	27,720
1962	33,000	5,450	15,700	73,360	23,405	1,140	1,530	17,655	43,730	13,390	640	740	13,530	28,300
1963	23,750	4,950	14,800	77,450	24,520	1,010	1,450	18,495	45,475	14,140	570	710	14,170	29,590
USDA														
1963	27,232	6,833	15,822	83,324	27,891	1,503	1,547	19,827	50,768	16,049	847	757	11,863	29,516
1964	30,818	7,254	14,594	83,019	31,440	1,665	1,440	20,001	54,546	18,037	928	703	12,019	31,687
1965	32,347	7,420	13,007	78,784	32,316	1,687	1,302	17,583	52,888	18,325	936	639	10,736	30,636
1966	33,727	6,647	12,737	74,011	34,085	1,563	1,303	17,906	54,857	19,493	862	639	11,130	32,124
1967	33,869	5,919	12,791	82,124	34,538	1,354	1,297	19,779	56,968	19,991	749	636	12,377	33,753
1968	35,026	5,443	11,884	85,160	35,515	1,249	1,211	20,369	58,344	20,662	696	592	12,867	34,817
1969	35,237	4,863	10,691	83,838	35,806	1,947	1,107	20,001	58,061	20,960	640	540	12,774	34,914
1970	35,025	4,072	10,552	85,817	36,260	994	1,099	20,617	58,970	21,472	558	540	13,248	35,818
1971	35,585	3,689	10,729	94,438	36,588	919	1,111	22,635	61,153	21,697	516	544	14,606	37,363
1972	35,779	3,053	10,301	84,707	37,126	767	1,081	20,249	59,223	22,218	429	533	13,460	36,640
1973	33,687	2,249	9,597	76,795	35,143	576	1,028	18,525	55,272	21,088	325	504	12,578	34,495
1974	36,811	2,987	8,847	81,762	38,247	769	928	19,974	59,918	22,844	442	454	13,583	37,323
1975	40,911	5,210	7,835	68,687	40,733	1,477	819	16,458	59,487	23,673	827	399	11,314	36,213
1976	42,655	5,350	6,714	73,784	43,442	1,428	730	17,566	63,166	25,667	813	361	12,219	39,060
1977	41,856	5,517	6,356	77,303	42,849	1,371	686	18,330	63,236	24,986	794	341	13,051	39,172
1978	39,552	4,170	5,369	77,315	40,986	1,012	501	18,555	61,154	24,010	600	300	13,209	38,119
1979	33,678	2,824	5,017	89,099	35,709	689	571	21,554	58,523	21,261	410	284	15,270	37,225
1980	33,807	2,588	5,579	96,074	36,229	633	624	23,216	60,702	21,470	379	310	16,431	38,590
1981	34,953	2,798	6,008	91,575	37,565	698	659	22,214	61,136	22,214	415	328	15,719	38,675
1982	35,843	3,021	6,449	82,190	38,128	718	715	19,932	59,493	22,366	423	356	14,121	37,266
1983	36,649	3,077	6,619	87,584	39,248	729	741	21,285	62,003	23,058	429	368	15,120	38,974

Source: The 1925-42 figures are USDA estimates for the industry and are on a calendar-year basis.

The 1943-63 figures are AMI estimates based on the Census Bureau's definition of the meat packing industry, which covers a smaller number of plants than covered by the USDA's reports on total commercial slaughter. The figures are for fiscal years, November through October.

The 1963 figures-to-date are USDA estimates of commercial slaughter and are on a calendar-year basis.

[1]*Beginning in 1977 reported on packer-style carcass basis.*